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SUBJECT: JAPANESE MORNING PRESS HIGHLIGHTS 01/07/08

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3) Prime Minister's Official Residence (Kantei)

Prime Minister's schedule, January 4

NIKKEI (Page 2) (Full)

January 5, 2008

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08:20

Met at Kantei with Deputy Chief Cabinet Secretary Futahashi, followed Chief Cabinet Secretary Machimura.

09:30

Held press conference. Attended ceremony to award the winner for logo for Toyako G-8 Summit. Met again with Futahashi.

10:53

Left Tokyo on JR Nozomi No. 181. Met on the train with Deputy Chief Cabinet Secretary Iwaki and Special Advisor to the Prime Minister Yamatani.

12:36

Arrived at JR Nagoya Station.

12:40

Met at the stationmaster's office with Internal Affairs and Communications Minister Masuda and Agriculture Minister Wakabayashi.

12:50

Left JR Nagoya Station on a Kintetsu limited express train.

14:12

Arrived at Kintetsu Ujiyamada Station.

14:18

Arrived at the grand Shrines of Ise. Paid respects at the Outer Shrine, accompanied by Masuda and Wakabayashi.

14:47

Paid respects at the Inner Shrine.

15:28

Received flowers from Ise Scout No. 7 of Scout Association of Japan and Girl Scouts Mie No. 1.

16:15

Left Kintetsu Ujiyamada Station on Kintetsu limited express.

17:36

Arrived at Kintetsu Nagoya Station.

17:53

Left JR Nagoya Station on Nozomi No. 34.

19:10

Arrived at JR Shin-Yokohama Station.

19:43

Returned to his private residence in Nozawa.

Prime Minister's schedule, January 5

NIKKEI (Page 2) (Full)  
January 6, 2008

Morning  
Spent time at his private residence in Nozawa.

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16:00  
Met at his official residence with Deputy Chief Cabinet Secretary  
Futahashi.

21:08  
Returned to his private residence in Nozawa.

Prime Minister's schedule, January 6

NIKKEI (Page 2) (Full)  
January 7, 2008

Spend the whole day at his private residence in Nozawa.

4) Poll: 76 PERCENT see global environment as "sick"

ASAHI (Page 2) (Abridged)  
January 7, 2008

Three out of every four persons believe the earth is now "sick," the Asahi Shimbun found from its face-to-face public opinion survey conducted across the nation on Nov. 17-18 last year about public life and the earth's environment. More people think that the global environment is now worsening. More than 90 PERCENT are worried about global warming. The Kyoto Protocol mandates Japan to reduce 6 PERCENT of its greenhouse gas emissions from 1990 levels. In the survey, 78 PERCENT said Japan should do so without fail. As seen from these figures, the public is highly concerned about the environment.

The survey probed public awareness of global warming, as well as the public's evaluation of society and human behavior.

In the survey, the condition of the earth's environment was likened to human health. A total of 76 PERCENT answered that they thought the earth was "seriously ill" or "ill." The proportion of those thinking the earth is seriously ill was 16 PERCENT, showing an increase from 7 PERCENT in a previous survey taken 10 years ago and from 12 PERCENT in a survey taken five years ago.

A total of 92 PERCENT were "very" or "somewhat" worried about global warming, with 93 PERCENT feeling that climate change is already beginning with global warming.

In the survey, respondents were further asked if they should change their lifestyle to prevent global warming. To this question, a total of 96 PERCENT said "very much" or "somewhat." However, "very much" accounted for only 50 PERCENT.

5) Poll: 46 PERCENT want DPJ to win next general election

MAINICHI (Top play) (Abridged)  
January 7, 2008

The Mainichi Shimbun conducted a telephone-based public opinion survey in December last year. In that survey, respondents were asked which political party between the Liberal Democratic Party and the Democratic Party of Japan (Minshuto) they would like to see win in the next election for the House of Representatives. In response to this question, 46 PERCENT opted for the DPJ, with 33 PERCENT choosing the LDP. "Other political parties" accounted for 13 PERCENT, and "no answer" at 9 PERCENT. In last July's election for the

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House of Councillors, the DPJ made great strides and the LDP suffered a crushing defeat. The DPJ is now outpacing the LDP. The figures show that the public is critical of the LDP due to the government's pension record-keeping flaws and the Defense Ministry's scandals.

This question was asked in the last five surveys. The DPJ was above the LDP in all those surveys. In a survey taken in August last year right after the House of Councillors election, the DPJ stood at 44 PERCENT, with the LDP at 37 PERCENT. As seen from these figures, the LDP was 7 points behind the DPJ.

In the three surveys conducted between September and October, the gap narrowed to 4-5 points. In the latest survey, however, it increased to 13 points.

Respondents were also asked which political party they supported. In response to this question, 26 PERCENT chose the LDP, with 27 PERCENT opting for the DPJ. In view of these results, non-DPJ supporters also have expectations for the DPJ.

6) Prime Minister Fukuda puts off cabinet shuffle, giving priority to avoiding political confusion

MAINICHI (Page 2) (Excerpts)  
January 5, 2008

Prime Minister Yasuo Fukuda decided to put off a cabinet shuffle he had planned to carry it out before the regular session of the Diet, which is slated to be convened on Jan. 18. The reason is that Fukuda has determined that the shuffling of cabinet members would not add to strengthening the cohesiveness of his government and that dissatisfaction would only grow in the Liberal Democratic Party (LDP), centering on those who did not get appointed as ministers. He wanted to make an effort to display his own political identity by shuffling his cabinet since approval ratings for his cabinet had plunged due to such issues as the pension-records mess, but in the end, he has decided to give up on his plan. Moreover, there is insufficient time left to shuffle the cabinet due to the tight political schedule.

Fukuda said during his China trip late last year: "I want to give good consideration to next year's schedule. There are various views in the party. I think they are understandable." Apparently accepting calls for a cabinet shuffle in the LDP, he at that time expressed his intention to shuffle it before the start of the regular Diet session.

7) DPJ plans to introduce censure motion against prime minister around March, says Deputy President Kan

ASAHI (Page 2) (Full)  
January 7, 2007

Concerning the possible introduction of a censure motion against the prime minister to the Upper House, Democratic Party of Japan (DPJ or Minshuto) Deputy President Naoto Kan on a TV talk show on Jan. 6 revealed that his party is planning to do so around March, when budget deliberations in the regular Diet session are expected to come to a head. He said, "Our basic strategy is to corner the Fukuda administration in budget deliberations to dissolve the Lower House, backed by public opinion calling for a change of administration."

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Kan indicated a negative stance to the possibility of introducing a censure motion during the extraordinary Diet session, saying, "We will not automatically decide to introduce a censure motion just because the ruling camp has used its two-thirds majority to adopt the refueling assistance special measures legislation by putting it to a vote again in the Lower House."

8) Influential ruling camp lawmakers making statements one after the other about Diet dissolution in the fall or later; Democratic Party of Japan continues endurance contest

TOKYO SHIMBUN (Page 2) (Excerpts)

January 7, 2008

On the issue of the timing of the next House of Representatives election, influential lawmakers in the ruling parties have been making statements one after the other that it should be put off until after the G8 Summit at Lake Toya in Hokkaido. With the government and ruling parties at a disadvantage due to such issues as the missing pension records and the case of corruption by a former defense vice minister, their aim is to constrain the DPJ from becoming even more adamant for an early dissolution of the Diet.

"Since we already have a two-thirds majority, the universal thinking (in the party) is the later the better (for an election)," said Liberal Democratic Party Secretary General Ibuki on an NHK television talk show on the 6th. He indicated that a Lower House election should be put off if possible.

However, DPJ President Ozawa has said, "The earlier that Diet dissolution is carried out the better." He intends to press the government for an early dissolution. The DPJ plans to file a censure motion against the prime minister in March and try to force him to dissolve the Lower House.

9) 768 preparing to run in next Lower House election; LDP, DPJ candidates to compete directly in 218 districts

MAINICHI (Top Play) (Slightly abridged)  
January 5, 2008

As of Jan. 4 at least 768 persons are now making preparations for filing their candidacies for the next House of Representatives election, according to a survey by the Mainichi Shimbun. The survey has found that the number of candidates to run in the race is expected to be greatly lower than the 1,131 who ran in the 2005 Lower House election. The number is the lowest since 1996, when the mixed-electoral system of single-seat and proportional representation constituencies was established, and reflects the decision of the Japanese Communist Party (JCP) to change its policy of filing candidates in all the single-seat electoral districts across the nation.

Chances are that the next Lower House election will be conducted before the end of this year. This will be the first large-scale election for Prime Minister Yasuo Fukuda since he took office. The focus will be on a battle between the ruling Liberal Democratic Party (LDP), which won a landslide victory in the previous race, and the largest opposition Democratic Party of Japan (DPJ or Minshuto), which leaped ahead in the 2007 House of Councillors election (to win control).

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A total of 701 candidates are expected to run in the single-seat electoral district races, and 67 (excluding candidates running in both single-seat and proportional representation constituencies) will seek to win proportional representation seats. The LDP will field 314 candidates -- 290 in the single-seat constituencies and 24 in the proportional representation segment.

The LDP basically intends to file candidates in all single-seat districts, excluding those in which the New Komeito is expected to field candidates. However, there still remain single-seat constituencies in which coordination is needed between incumbents and former "postal rebels."

The DPJ, which does not allow its candidates to run in both single-seat and proportional representation constituencies, has now lined up 232 candidates, aiming at fielding about 270 in the end. However, the party has been delayed in selection candidates for the Tokyo and Kyushu areas. The LDP and DPJ are expected to face off in 218 single-seat constituencies (including sponsored candidates), but the number will likely increase.

10) Government considering the establishment of a "consumer agency" in order to unify administration as incidents of fraud and deceit continue

TOKYO SHIMBUN (Top play) (Abridged)  
January 5, 2008

The government in response to the rash of incidents involving fraud and deceit related to food items, housing, and the like, has decided to give consideration to establishing a "consumer agency" that would unify administration of consumer affairs now under each ministry.

Administration of consumer affairs is now under the jurisdiction of the Cabinet Office, but specific responsibilities are under the Ministry of Health, Welfare and Labor (Food Sanitation Law) for such aspects as product shelf-life, and the Ministry of Agriculture, Forestry, and Fisheries (JAS or Japan Agricultural Standards Law). Such an arrangement has been pointed out to be a hindrance.

The government is now proceeding with a complete examination of the current system, including the legislation that affects consumers. In order to protect consumers from being harmed by the series of fraud and deceit cases, the judgment has been made that it is necessary to unify consumer administration under one organ.

The Liberal Democratic Party's (LDP) Research Committee on Consumer Affairs (chaired by Seiko Noda) also in an interim report expected to come out in March will call for the establishment of a consumer affairs agency in fiscal 2009.

However, there are voices of caution about such a move, saying that setting up a new agency would run counter to administrative reform, so the possibility exists that the for the time being, the effort will stop at beefing up the administrative coordinating function of the Cabinet Office over the other ministries.

11) Japan decides to assist in personnel training for PKO in Africa as part of "consolidation of peace"

MAINICHI (Page 5) (Full)  
January 5, 2008

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Ken Uzuka

The government decided to help train personnel for United Nations peacekeeping operations (PKO) in Africa. This aid is intended to bring into shape "consolidation of peace," a major subject for the upcoming 4th Tokyo International Conference on Africa's Development (TICAD) in Yokohama slated for May. The government will announce this aid as its new international contribution. It plans to facilitate peace-building by helping to educate and train personnel from African nations.

When it comes to PKOs in Africa, preparations are underway to send the largest number of personnel (some 26,000 persons) to Sudan where the Darfur dispute is serious, and there are also PKOs in Liberia and Cote d'Ivoire.

The conditions for Japan to send its Self-Defense Forces (SDF) abroad under the PKO Cooperation Law include the existence of an agreement on a cease-fire and the affected countries' consent to the dispatch of the SDF. Because Japan is not allowed to mobilize the SDF in an area of strife, it has decided to give help to PKO centers in five locations, including Kenya.

Specifically, Japan plans to provide police officers and military personnel from African countries knowledge and technology related to (1) the International Humanitarian Law, (2) emergency medical care, and (3) removal of land mines.

"This will be a new type of assistance to PKOs that will not be involved in disputes," a senior Foreign Ministry official said. Japan will explain the idea and results of this aid to the 4th TICAD. Japan will appropriate 1.8 billion yen for this aid in its 2007 supplementary budget and provide it via the UN Development Plan.

12) Japan to exchange notes banning fuel diversion

NIKKEI (Page 1) (Abridged)  
January 7, 2008

The Diet is now certain to enact a new antiterror bill in order for Japan to resume the Maritime Self-Defense Force's refueling activities in the Indian Ocean. Meanwhile, the government decided to exchange official notes with foreign countries to prevent MSDF-supplied fuel from being used for other purposes. The government will ask these countries to provide information about their vessels receiving MSDF fuel and will record MSDF fuel supplies to these foreign vessels.

The House of Councillors, where the opposition parties hold a majority of the seats, is about to vote down the new legislation. After that, the House of Representatives is expected to vote again on the bill and the ruling parties will enact it by a majority of two-thirds. The government will ready the MSDF to resume refueling activities as soon as the bill clears the Diet.

The exchange of notes is intended to confirm intergovernmental agreements. The new bill limits the MSDF's refueling mission to maritime interdiction operations (MIO) conducted in Afghanistan for antiterror mop-up operations. The government will specify this in its official notes so that MSDF-supplied fuel will not be used for

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other military operations.

The MSDF carried out refueling activities under the Antiterror Special Measures Law that expired in November last year. MSDF-supplied fuel, however, was allegedly used for U.S. military operations against Iraq. The opposition parties grilled the government over this allegation in the Diet during its current session. The government had exchanged official notes with 11 countries on these refueling activities. However, those exchanges of notes did not specify anything in detail to prevent fuel diversion.

The Defense Ministry plans to stage an MSDF fuel supply ship in the Indian Ocean in late February after the new bill is enacted into law. Ahead of MSDF refueling activities there, the Foreign Ministry would like to exchange official notes with the United States, Britain, France, Germany, New Zealand, and Pakistan.

13) Defense Ministry found to have put out feeler to U.S. last fall about possibility of delaying fuel information disclosure: Out of concern about impact on Diet deliberations?

SANKEI (Page 1) (Excerpts)  
January 7, 2008

Question-and-answer sessions were held in the Diet in October last year over the use of the fuel Maritime Self-Defense vessels supplied to U.S. warships in the Indian Ocean. In a related development, Sankei Shimbun learned on Jan. 4 that a senior Defense Ministry official informally sounded out the U.S. as to whether it would be possible to delay procedures for disclosing information on the U.S. warships involved. The official appears to have floated the suggestion out of concern about the possible impact of the disclosure of such information on Diet deliberations. However, the U.S. forces reportedly disclosed the information, based on its regular investigative process.

According to a Defense Ministry source, the official met at the Defense Ministry in October last year with U.S. forces Japan visitors. On that occasion, the U.S. was receiving a flurry of requests for disclosure of the logbooks of its Navy warships that have been participating in Operation Iraqi Freedom, and the Defense Ministry also receiving requests for disclosing information on logbooks of MSDF warships dispatched to the Indian Ocean.

The Defense Ministry during the meeting sounded out the U.S. military officers as to a possibility of the U.S. taking more time in disclosing the information by investigating more cautiously. The U.S. side reportedly stopped short of making a clear-cut reply.



Since late September last year, Japan's Peace Depot and other civic groups have been asking the U.S. to disclose information in compliance with its Information Disclosure Act via the Internet or by air mail. The records of the activities of the U.S. Navy's warships disclosed have given rise to the suspicion that U.S. oilers that received fuel from a MSDF supplier in the Indian Ocean refueled U.S. aircraft carriers that took part in the Operation Iraqi Freedom, an activity the Anti-terrorism Special Measures Law does not envisage.

Opposition parties had harshly pursued factual situations to bring the matter to light.

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The senior official who sounded out the U.S. military was in a position of receiving reports through the MSDF on requests for information disclosure that the Peace Depot had filed. This official said that he did not have personal information on the persons who had made the requests, saying that he had not received a report on whether the requests were made by persons connected to civic groups or not.

14) Government, ruling parties to shorten current Midterm Defense Buildup Program by one year to play up their reform-oriented posture

MAINICHI (Page 1) (Excerpts)  
January 5, 2008

The government and ruling parties decided yesterday to draw up the next Midterm Defense Buildup Program, the country's defense plan stipulating its total defense outlays and defense equipment policies for a five-year period, one year earlier. The plan is to make fiscal 2009 the initial year for the next program by shortening the current program covering fiscal 2005-2009 by one year. The aim is to play up the government's reform posture in the wake of a series of scandals involving the Ministry of Defense. Cuts in the number of personnel and procurement costs will be the focus.

The current five-year program was adopted by the cabinet in December 2004. The total defense outlay for the program covering fiscal 2005-2009 is set at 24.24 trillion yen, including the introduction of the next-generation mainstay combat aircraft.

But MOD has been hit by a series of improprieties, such as a bribery case involving former Administrative Vice-Defense Minister Takemasa Moriya and a leak of data on the Aegis system. Establishing the MOD Reform Council last December, the government has been discussing a review of the defense procurement system, information security, securing civilian control, and other matters.

A senior MOD official said: "The government should draw up the next Midterm Defense Buildup Program ahead of schedule to reflect full-fledged organizational reform in it." The government and ruling parties intend to put together the defense program for the next term by late fiscal 2008 based on an organizational review interim report to be produced by the MOD Reform Council in February.

15) Antimissile destroyers to be deployed at Sasebo

NIKKEI (Page 2) (Full)  
January 5, 2008

The Maritime Self-Defense Force's Aegis destroyer Kongo returned to its home port in Sasebo yesterday after a successful missile interception test with a Standard Missile-3 (SM-3) system last month in airspace over the Pacific Ocean near Hawaii. It will play a role in intercepting incoming missiles at sea in a missile defense (MD) system.

The Ministry of Defense plans to install SM-3 missiles on three Aegis destroyers to establish a system of four ships: three in Sasebo and Maizuru on the Sea of Japan side and one in Yokosuka on the Pacific Ocean side.

16) Government envisions submission of permanent legislation for SDF

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overseas activities to extraordinary Diet session set for fall

ASAHI (Page 2) (Excerpts)  
January 6, 2008

Keiichi Kaneko

The government decided to start full-fledged discussion on general legislation (permanent law) that would allow the Self-Defense Forces (SDF) to operate abroad beyond the framework of United Nations peacekeeping operations, envisioning a submission of such legislation to the extraordinary Diet session slated for the fall. The legislation would allow the government to dispatch the SDF abroad if there are UN resolutions or requests from international bodies, but it would mandate the government to obtain prior approval of the dispatch from the Diet. In this connection, the government intends to discuss the relaxation of weapons-use criteria. The government intends to enter discussion with the ruling bloc about these ideas. On this sort of general legislation, the ruling (Liberal Democratic Party (LDP)) already reached agreement in party-head talks last year with the major opposition Democratic Party of Japan's (DPJ) President Ichiro Ozawa on the view that such legislation would be necessary. The government intends to call on the DPJ to join policy discussion on the legislation.

Prime Minister Fukuda in his New Year's press conference on Jan. 4 stressed the need for the general legislation, noting: "I think it is a good idea to establish a system for Japan to proactively and swiftly take part in international peace cooperation. In order to realize that, an idea of creating a permanent law has been previously floated. I, too, have a similar idea." Expressing his hope for the Diet to have a lively debate on such a law, Fukuda said, "I hope to see the Diet fully discuss what system will be good for the assumption of various activities."

17) Government considering relaxing three rules banning weapons exports to allow joint development

TOKYO SHIMBUN (Top play) (Excerpts)  
January 6, 2008

The government began discussions yesterday on relaxing the country's three principles banning weapons exports. Under discussion is the option of lifting the ban on jointly developing and producing weapons with other countries and exporting weapons to such countries. Currently the only exception is Japan's joint project with the United States on missile defense (MD). The government's Ministry of Defense (MOD) Reform Council will conduct full-fledged discussions on the matter in tandem with a review of the defense equipment procurement system.

The government first came up with the three principles in 1967 prohibiting the country from exporting weapons to communist countries and warring parties only. In 1976, the government expanded the area of prohibition, totally banning exports in effect.

At present, the only exception to the rules is the exporting of parts to the United States under an agreement on joint development of MD technology.

However, in the process of Reform Council discussion of the scandal involving a former vice-defense minister, it was pointed out that

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Japan's defense equipment procurement costs are higher than any other countries. The government thinks that if Japan is allowed to engage in joint development with other countries, the arrangements would help increase the international competitiveness of Japan's defense industry and lower the high cost of defense-equipment development. It would also pave the way for Japan joining joint

development of the next-generation F-35 fighter jet being carried out by Western countries.

For this reason, there has been a view in the government and the Liberal Democratic Party that the government should allow the country to engage in joint development with Western countries by returning the scope of application of the three principles to the original version.

There has also been a request from the United States to lift the ban on weapons exports.

18) Abu Dhabi Oil Co. CEO hints at extending Japan's concession rights in meeting with Japanese METI minister

NIKKEI (Page 3) (Full)  
January 7, 2008

Kazuki Kagaya

Minister of Economy, Trade and Industry (METI) Akira Amari, now visiting Abu Dhabi in the United Arab Emirates, yesterday met with Abu Dhabi National Oil Company C.E.O. Yusuf. The company president said, "We are asking Japanese firms to continue to be involved in oil development," implying he would allow four Japanese oil companies, including Abu Dhabi Oil Company, a subsidiary of Cosmo Oil, to extend and expand such rights. Those companies' concession rights are to expire in 2012 one after another.

During a press briefing held at the end of his tour of that country, Amari revealed that when he met with Crown Prince Sheikh Mohammed bin Zayed al-Nahayan on Jan. 5, the crown prince made a similar request. Amari continued: "This is the first time I've heard such positive comments from high-level persons about the future of oil concession rights."

Japan procures one million barrels, one-fourth of its total imported oil, from Abu Dhabi. Of that amount, Japan obtains some 350,000 barrels from oil fields it independently developed. The Abu Dhabi government-affiliated International Petroleum Investment Co. (IPIC) last year decided to take a 20 PERCENT stake in Cosmo Oil.

Amari also met with UAE Energy Minister al-Hamili and the two shared the concern about soaring oil prices that exceeded 100 dollars per barrel. They also shared the perception that it is important that oil producing countries will promote oil development, while oil consuming countries will work on stabilizing oil prices through energy-saving efforts.

DONOVAN